GREENE, O'REILLY, BROILLET, PAUL, SIMON, MCMILLAN, WHEELER & ROSENBERG

DECLARATION OF GERALD ARMSTRONG

I, GERALD ARMSTRONG, declare and state the following:

- 1. I joined the CHURCH OF SCIENTOLOGY in 1971. I was a member of the elite Sea Organization ("Sea Org") of the CHURCH OF SCIENTOLOGY OF CALIFORNIA from February 1971 to December 1981. The Sea Organization is the paramilitary wing composed of the most dedicated Scientologists. L. RON HUBBARD's personal staff were drawn from the Sea Org members.
- 2. In February 1971 I went to work for L. RON HUBBARD. I worked for L. RON HUBBARD until I left the Scientology organization in December 1981. During most of this time I worked physically with L. RON HUBBARD.
- 3. I have held at least the following positions in Scientology organizations: Intelligence Officer, Deputy L.R.H., External Communications Aide, Deputy Commanding Officer of L. RON HUBBARD's Household Unit and L. RON HUBBARD's Biography Researcher.
- 4. L. RON HUBBARD has, on several occasions in the past ten years, moved his residence at short notice because of his fear of being indicted on criminal charges or being served with civil process. To insure that L. RON HUBBARD's whereabouts are kept secret, guards are posted at his residence, and all guards, his personal staff and Scientologists near him are trained and

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drilled to obstruct process servers and lie about L. RON HUBBARD's whereabouts and their relationship to him.

- 5. L. RON HUBBARD fled from his Hemet, California location in March of 1980 because it was again determined that his whereabouts might be known to litigants seeking to serve summons or subpena.
- has been the policy and practice of those 6. in senior positions in Scientology to lie about L. RON HUBBARD's involvement with Scientology, his control of Scientology operations and finances, and his whereabouts, even from other Scientologists. I had firsthand knowledge of an operation by the CHURCH OF SCIENTOLOGY OF CALIFORNIA's Guardian Office to plant a false story in the international press that L. RON HUBBARD was planning to buy an estate in Ireland. This was done to cover up the fact that L. RON HUBBARD was planning on establishing a residence in California.
- I personally know that L. RON 1981 "mission" composed of Commodore Messenger a special Organization ("CMO" explained further below) members to establish an "all clear date." This would be the date when all court cases involving him had been won or the charges dropped so it would be safe for him to come out of hiding and return to Gilman Hot-At one point the date set was October 1981, later moved back to December 1981.

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The Commodore's Messenger Organization ("CMO") is 8. the group of Sea Organization personnel from the CHURCH OF SCIEN-TOLOGY who act as messengers for L. RON HUBBARD (the "Commodore"). Their function was to relay and enforce L. RON HUBBARD's orders. CMO is L. RON HUBBARD's method of controlling all Scientology organizations because of written Scientology policy that his orders cannot be defied. The CMO headquarters, until the time I left in December 1981, was located at the Gilman Hotsprings property.

- 9. The CMO was still able to communicate with L. RON HUBBARD even after 1980 when he went into further hiding from all but a few close staff.
- After 11 years of working with Scientology 10. L. RON HUBBARD I became aware that L. RON HUBBARD, through the Sea Organization, the CMO and the Guardian's Office of the CHURCH OF SCIENTOLOGY (now known as Office of Special Affairs, or OSA) had complete control of the assets and activities of all Scientology The CMO in the United States organizations throughout the world. and the OSA, pursuant to L. RON HUBBARD's authority, has absolute control of all Scientology missions and other organizations in the United states.
- 11. L. RON HUBBARD's control was effectuated through a personal communications unit that received daily telexes and other 111

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communications from the various Church of Scientology organizations throughout the world.

12. In January 1984, a Scientology organization, Golden Era Studios, created, sold and distributed through Scientology outlets an audio cassette entitled "Ron's Journal 38: Tomorrow--The Proof", identifying it as a very recent recording of L. RON HUBBARD talking to Scientologists. The cassette is copyrighted in the name of L. RON HUBBARD. I have heard the recording, wherein L. RON HUBBARD states that he is in computer communication with Scientology organizations internationally and is able to receive data and communications from virtually every Scientology organization in the world via the computer network of the Churches of Scientology.

In one period during my involvement with the CHURCH 13. OF SCIENTOLOGY, I worked in L. RON HUBBARD's personal communica-As part of my job, I relayed mail and telexes between L. RON HUBBARD and various Scientology organizations throughout became aware that L. RON HUBBARD had absolute the world. I control of all large corporate bank accounts and that he, alone, had the authority to order withdrawals of large amounts from these He controlled these accounts through various people who Neither the directors of the CHURCH work directly for him. SCIENTOLOGY OF CALIFORNIA nor any other Church of Scientology executives had such authority or control.

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14. It was common knowledge among senior executives of the organization and is the policy of the CHURCH OF SCIENTOLOGY that members of the Boards of Directors of the various Scientology corporations are mere figureheads without authority or control, and that control really vests in L. RON HUBBARD. I have personal knowledge that in order to carry out this corporate fraud, organizational executives have engaged in various unethical practices including back dating phony board minutes and forging signatures.

claim that he has not been paid by Scientology other than a \$50,000 annual consultant's fee and the receipt of royalties from the sale of his books, the fact is that he has absolute control of all Scientology accounts. For example, in 1980, he authorized the expenditure of unlimited Scientology funds for a project to get him a Nobel Prize, and CHURCH OF SCIENTOLOGY OF CALIFORNIA funds were used to refurbish and outfit the Gilman Hotsprings property for L. RON HUBBARD's home and office.

16. Because of such control, L. RON HUBBARD received millions of dollars through a dummy corporation (Religious Research Foundation, or R.R.F.) that was specifically set up to funnel money to him which should have been paid to the CHURCH OF SCIENTOLOGY OF CALIFORNIA by foreign customers.

17. During my 11 years as a member of the Sea Organization or in L. RON HUBBARD's personal office staff, I became aware of a continuous pattern of fraudulent statements and conduct

MCMILLAN, WHEELER & ROSENBERG
LOS ANGELES OFFICE

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by high Scientology officials on their, and Scientology's relationship with L. RON HUBBARD. It has been a policy of Church of Scientology organizations to conceal the true relationship between the various Scientology organizations and L. RON HUBBARD since at least 1971. This policy was adopted to insulate the higher level Scientology organizations and L. RON HUBBARD from liability for acts ordered, authorized or condoned by L. RON HUBBARD and such higher level Scientology organizations.

Following the FBI raid in 1977 on Scientology's Guardian Office premises in Los Angels and Washington, D.C., the people in senior positions in the CMO and the Guardian's Office of the CHURCH OF SCIENTOLOGY OF CALIFORNIA ordered and had carried out a massive campaign to locate and destroy all the evidence in every organization in the United States which showed L. RON HUBBARD's control of the Scientology organizations and their I was involved in this campaign in Clearwater, Florida, finances. at the La Quinta property and at Gilman Hotsprings. Hundreds of thousands of pages were destroyed. In early 1980, a commercial paper shredder was rented and operated day and night for over two weeks to destroy huge amounts of documents which showed L. RON HUBBARD's control over the activities of CHURCH OF SCIENTOLOGY organizations.

19. Except for a four month period in 1977 L. RON HUBBARD resided in southern California since June 1976, at least until he disappeared in 1980. Additionally, the people who are considered L. RON HUBBARD's personal staff all reside in southern

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Most of them at Gilman Hotsprings. Others work at California. Author Services, Inc. at 6464 Sunset Boulevard in Los Angeles.

- In December 1978, I was transferred from L. RON 20. HUBBARD's staff at La Quinta, California to a former Gilman Hotsprings, California (16925 Highway 79, complex at San Jacinto) which L. RON HUBBARD ordered purchased as a home for himself and his children as well as his business office.
- 21. I worked on renovating the house and offices to his exact specifications, which he communicated to me; e.g., decorating the house and office spaces, getting furniture specially made, installing electronic equipment, contracting for weaving tapestries according to his orders, etc.
- 22. By 1979 I was in charge of L. RON HUBBARD's personal household unit at Gilman Hotsprings.
- 23. Whenever L. RON HUBBARD came to the Gilman Hotsprings property he was secreted in a panel van and I had to ensure that he was not followed or seen, even by other staff at the property.
- During this time L. RON HUBBARD stored on the 24. Gilman Hotsprings property his personal belongings moved from an earlier location which he left because of fears about service of process. His personal belongings consisted of, among

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things, furniture, art pieces, household goods, papers and writings, library of books, photographs and photographic equipment.

- 25. L. RON HUBBARD approved the funds for the entire Gilman Hotsprings renovation done to his specifications, and I purchased the supplies with it. The money came from the CHURCH OF SCIENTOLOGY OF CALIFORNIA.
- 26. Gilman Hotsprings project was completed 1981.
- 27. On the California La Quinta and Gilman Hotsprings properties we were required to destroy, in addition to materials which showed L. RON HUBBARD's control of Scientology and connection with the Guardian's Office, any dispatches or memos to and from L. RON HUBBARD which showed he lived on these properties, intended to live there or had issued orders to do with these At Gilman Hotsprings I was required to destroy all the memos I had received from L. RON HUBBARD ordering work to be done on his house and offices. I was required to destroy any orders from L. RON HUBBARD for items to be purchased for him or for his house or offices. I was required to destroy any dispatch or memo from anyone which mentioned the house and office spaces as being L. RON HUBBARD's. In early 1980, when a raid by government agencies was announced as threatened at Gilman Hotsprings, commercial paper shredder was rented, brought to the property and operated day and night for over two weeks to destroy the massive pile of evidence which linked L. RON HUBBARD to Scientology

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organizations, Guardian's Office operations and the properties in southern California.

I am personally familiar with Lyman Spurlock. is currently an executive with Author Services, Inc. personal knowledge that Mr. Spurlock was with L. RON HUBBARD as part of the Hubbard inner sanctum in La Quinta, California, in the late 1970s. least 1979 onward, Mr. Spurlock worked From at directly for L. RON HUBBARD as Investment Officer International of the CHURCH OF SCIENTOLOGY OF CALIFORNIA as L. RON HUBBARD's personal investment officer. He was the highest financial officer of the CHURCH OF SCIENTOLOGY OF CALIFORNIA, and he was responsible to L. RON HUBBARD directly.

Mr. Spurlock was, at least until I left the Scientology organization in December 1981, a member of the Sea Organization of the CHURCH OF SCIENTOLOGY OF CALIFORNIA. Mr. Spurlock has represented that he has been concurrently an executive of the CHURCH OF SCIENTOLOGY OF CALIFORNIA and an employee and executive of Author Services, Inc.

I was present during Mr. Spurlock's testimony in the case of Church of Scientology of California v. Gerald Armstrong, Case No. C 420 153, in May-June 1984, and a true and correct copy of his testimony is appended as Exhibit "17".

I was present during Mr. Homer Schomer's testimony 29. in the case of Church of Scientology of California v. Gerald

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Armstrong, Case No. C 420 153, in May-June 1984, and a correct copy of his testimony is appended as Exhibit "12" to these papers.

30. Exhibit "9" is a true and correct copy of HCO standing orders No. 1 and No. 2, issued by L. RON HUBBARD in 1961 that "all mail addressed to me shall be received by me" and that all Scientology organizations have a message box so that messages for L. RON HUBBARD may be received by him. Scientology policy for the eleven years I was a member of the Sea This order was followed for more than a year after L. RON HUBBARD went into hiding in March 1980.

- Exhibit "8" is a true and correct copy of Scientology advertisements signed by L. RON HUBBARD which addresses for receiving communications to L. RON HUBBARD at the CHURCH OF SCIENTOLOGY OF CALIFORNIA (1413 North Berendo Street, Los Angeles, California 90027) and Flag Operations Liaison Office Fountain Avenue, Los Angeles, California 90028). Operations Liaison Office is a branch of the CHURCH OF SCIENTOLOGY OF CALIFORNIA.
- 32. According to written Scientology policy, the Commodore's Messengers are emissaries of L. RON HUBBARD, whatever is said to that messenger is being said to L. RON HUBBARD--they are the same. Whatever is done by that messenger is The CMO orders (because they are L. RON done by L. RON HUBBARD. HUBBARD's orders) must be followed by all Scientologists, according to Flag Order 3729 of September 15, 1978, by L. RON HUBBARD.

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L. RON HUBBARD order was submitted This evidence in the case of Church of Scientology of California v. Gerald Armstrong, Case No. C 420 153, and was never shown to be overruled or rescinded. A true and correct copy of Flag Order 3729 (ED 106 CMO) by L. RON HUBBARD of September 15, 1978, known to me personally as such, is appended as Exhibit "18".

33. I am the defendant and cross-complainant in Church of Scientology of California v. Gerald Armstrong, Case No. C 420 152, Los Angeles Superior Court Central District. During the litigation of that case, Mary Sue Hubbard submitted a declaration dated January 26, 1983, in support of a motion for preliminary injunction. A true and correct copy of the January 26, 1983, declaration of Mary Sue Hubbard submitted to the court is appended as part of Exhibit "7" to these papers.

34. Vicky Livingston was a member of the Sea Organization of the CHURCH OF SCIENTOLOGY OF CALIFORNIA, and L. RON HUBBARD's personal accountant. Her position was to collect moneys due L. RON HUBBARD and make money for him from any source. reviewed the copies of invoices with "L. Ron Hubbard" printed at the top, attached hereto as Exhibit 6.

signature Vicky I familiar with the am Livingston from working with her on L. RON HUBBARD's personal 111

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staff in the 1970's. All but one of the 26 invoice copies attached as Exhibit 6 are signed by Vicky Livingston.

I declare under penalty of perjury that the foregoing is true and correct.

Executed this 29th day of October, 1984, at Los Angeles, California.

GERALD ARMSTRONG Declarant